

## Message Text

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44

ACTION EUR-12

INFO OCT-01 ISO-00 SAJ-01 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 FRB-03

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 9494

INFO USDOC WASHDC

C O N F I D E N T I A L MOSCOW 5543

C O R R E C T E D C O P Y (FOR TEXT PARA 1 AND PARA 4)

E.O. 11652: GDS

TAGS: ETRD,EEWT,ENRG,UR,US

SUBJECT: AMBASSADOR'S CALL ON MINISTER OF THE GAS INDUSTRY S.A.

ORUDZHEV

USDOC FOR BEWT/DOWNEY

1. SUMMARY. AMBASSADOR CALLED ON MINISTER OF GAS INDUSTRY S.A. ORUDZHEV APRIL 18, LARGELY TO DISCUSS LATTER'S RECENT TRIP TO UNITED STATES AND COMMERICAL PROSPECTS ARISING FROM THAT VISIT, ORUDZHEV WAS EXTREMELY POSITIVE ON ALL ASPECTS OF HIS VISIT AND WENT SO FAR AS TO STATE UNQUALIFIED INTENTION TO "BUY AMERICAN"WHENVER POSSIBLE. ORUDZHEV AND HIS COLLEAGUES FROM MINISTRY INDICATED THAT GENERAL ELECTRIC COULD HAVE NEXT MAJOR COMPRESSOR ORDER IF IT WISHED. END SUMMARY.

2. ORUDZHEV WAS CLEARLY MOST IMPRESSED BY HIS VISIT TO UNITED STATES AND BY EFFORTS MADE BY GENERAL ELECTRIC AND OTHER COMPANIES INVOLVED TO ARRANGE INTERESTING AND USEFUL TRIP. ALTHOUGH HE MADE RITUAL STATEMENT AT OUTSET OF DISCUSSION TO EFFECT THAT UNITED STATES SHOULD EXPAND TRADE WITH USSR IN ORDER REDUCE DOMESITC UNEMPLOYMENT, HE QUICKLY DROPPED THIS LINE OF ARGUMENT AND NOTED THAT IN  
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PLANTS WHICH HE HAD VISITED THERE HAD BEEN NO SIGNS OF

RECESSION (SPAD). ON CONTRARY, ORUDZHEV ADVISED THAT IN PLANTS SUCH AS CAMCO'S DALLAS FACILITY, PRODUCTION HAD BEEN STEPPED UP TO POINT WHERE THEY WERE WORKING THREE SHIFTS, SIX DAYS PER WEEK. (COMMENT: ORUDZHEV'S EXPERIENCES IN U.S. DEMONSTRATE UTILITY OF VIP-TYPE TOURS FOR SOVIET INDUSTRIAL MINISTERS AND OTHER SENIOR OFFICIALS, ASSUMING, OF COURSE, THAT VISITS PROPERLY ORGANIZED. IN THIS CASE, NO EXPENSE WERE SPARED; ORUDZHEV AND HIS PARTY TOURED THE COUNTRY IN A GE CORPORATE JET, GULF OIL HELICOPTERS WERE PROVIDED FOR VISITS TO OFF-SHORE DRILLING SITES IN GULF OF MEXICO ETC. END COMMENT).

3. IN DISCUSSION OF UPCOMING CONTRACT NEGOTIATIONS FOR EQUIPMENT FOR ORENBURG GAS PIPELINE AND RELATED FACILITIES, ORUDZHEV AND DEPUTY MINISTER KORSHUNOV BOTH MADE POINT OF STATING THAT ORDER FOR 22 COMPRESSOR STATIONS, VALUED AT ABOUT DOLLARS ONE BILLION, WOULD BE GIVEN TO GENERAL ELECTRIC, PROVIDED COMPANY COULD SUPPLY EQUIPMENT WITHIN 1976-77 PERIOD. KORSHUNOV EXPLAINED THAT GAS DELIVERIES WERE SCHEDULED TO BEGIN IN 1978, WHICH MEANT THAT ALL OF THE EQUIPMENT HAD TO BE INSTALLED BY END OF 1977. KORSHUNOV ALSO NOTED THAT THERE WOULD BE REQUIREMENT FOR CREDITS SIMILAR TO THOSE ARRANGED IN AUGUST 1974 FOR GENERAL ELECTRIC'S DOLLARS 252 MILLION SALE. (COMMENT: IN DISCUSSIONS WITH REPRESENTATIVES OF OTHER U.S. COMPANIES INVOLVED IN THIS PROJECT, COMMOFF HAS LEARNED THAT TECHNICAL NEGOTIATIONS ARE SCHEDULED FOR COMPLETION PRIOR TO APRIL 30, WITH COMMERCIAL NEGOTIATIONS SCHEDULED FOR COMPLETION BY JUNE 1, END COMMENT). ON GENERAL SUBJECT OF EQUIPMENT SUPPLY FOR SOVIET GAS INDUSTRY PROJECTS, ORUDZHEV SAID THAT IF HE HAD CASE IN WHICH A U.S. SUPPLIER WAS COMPETING WITH A NON-U.S. SUPPLIER, HE WOULD GO WITH U.S. COMPANY EVERY TIME. (COMMENT: WHILE THIS EXPRESSION OF STRONG PREFERENCE FOR U.S. EQUIPMENT MAY TO CERTAIN EXTENT HAVE REFLECTED DESIRE TO BE POLITE DURING MEETING WITH AMBASSADOR, WE HAVE IMPRESSION THAT IT WAS FAIRLY ACCURATE REFLECTION OF VIEWS WITHIN MINISTRY OF GAS INDUSTRY. END COMMENT).

4. ORUDZHEV ALSO MADE POINT OF STRESSING HIS NON-RUSSIAN ORIGINS. HE NOTED THAT HE WAS OF AZERBAIJANI DESCENT AND THAT WHILE THERE WERE THREE MILLION AZERBAIJANI DESCENT LIVING IN USSR, HE WAS ONLY ONE WHO HAD SUCCEEDED IN RISING TO POSITION OF USSR MINISTER. CONSEQUENTLY, ORUDZHEV SAID HE REGARDED HIMSELF

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NOT ONLY AS MINISTER OF GAS INDUSTRY BUT AS REPRESENTATIVE OF AZERBAIJAN IN MOSCOW.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, ELECTRIC POWER, GASES, MINISTERIAL VISITS, INVITATIONS  
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**Draft Date:** 22 APR 1975  
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**Disposition Comment:** 25 YEAR REVIEW  
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